

**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of Spencer's Retail Limited (formerly known as RP-SG Retail Limited)

**Opinion**

We have audited the accompanying interim standalone Ind AS financial statements of Spencer's Retail Limited (formerly known as RP-SG Retail Limited) ("the Company"), which comprise the interim standalone Balance Sheet as at September 30, 2018, and the interim standalone Statement of Profit and Loss, including other comprehensive income, interim standalone Cash Flow Statement and the interim standalone Statement of Changes in Equity for the 6-month period then ended, and notes to the interim standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid interim standalone Ind AS financial statements give a true and fair view in conformity with the accounting principle generally accepted in India including the Indian Accounting Standard (Ind AS) 34 specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended:

- (a) in the case of the interim standalone Balance Sheet, of the state of affairs of the Company as at September 30, 2018;
- (b) in the case of the interim standalone Statement of Profit and Loss including other comprehensive income, of the profit for the six-month period ended on that date;
- (c) in the case of the interim standalone Cash Flow Statement, of the cash flows for the six-month period ended on that date; and
- (d) in the case of the interim standalone Statement of Changes in Equity, of the changes in equity for the six-month period ended on that date.

**Basis for Opinion**

We conducted our audit of the interim standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Interim Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the interim standalone Ind AS financial statements.

**Management's Responsibility for the Interim Standalone Financial Statements**

The Company's Board of Directors is responsible for the preparation and presentation of these interim standalone financial statements that give a true and fair view of the standalone financial position, standalone financial performance including other comprehensive income, standalone cash flows and standalone changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The Board of Directors of the Company are also responsible for maintenance of adequate accounting records in



accordance with the provisions of the Act for safeguarding of the assets of Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the interim standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, as aforesaid.

In preparing the interim standalone financial statements, Board of Directors are responsible for assessing the ability of the Company's to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of the Company are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Interim Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the interim standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these interim standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the interim standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the interim standalone financial statements, including the disclosures, and whether the interim standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**Other matters**

The comparative Ind AS Statement of Profit and Loss; Statement of Changes in Equity and Statement of Cash flows of the Company for the corresponding half year and period ended September 30, 2017 are not included in these Interim standalone Ind AS financial statements. The comparative Ind AS Statement of Profit and Loss; Statement of Changes in Equity and Statement of Cash flows of the Company for the previous period beginning February 8, 2017 and ending on March 31, 2018 has been included in these Interim Standalone Ind AS financial statements. Our opinion is not qualified in respect of this matter.

**Restriction of use**

The accompanying interim standalone Ind AS financial statements have been prepared and this report thereon issued, solely for the purpose of inclusion in the information memorandum to be filed by the Company with relevant stock exchanges for the proposed listing of equity shares of the Company. Accordingly, this report should not be used, referred to or distributed for any other purpose without our prior written consent.

For **Batliboi, Purohit and Darbari**  
Chartered Accountants  
ICAI Firm Registration Number: 303086E

  
CA Hemal Mehta

Partner  
Membership Number: 063404



Place: Kolkata  
Date: 11<sup>th</sup> January, 2019

Spencer's Retail Limited (formerly known as RP-SG Retail Limited)  
Interim Standalone Balance sheet as at 30th September 2018

|  | Notes | As at               | As at            |
|--|-------|---------------------|------------------|
|  |       | 30th September 2018 | 31st March 2018  |
|  |       | ₹ Lakhs             | ₹ Lakhs          |
| <b>ASSETS</b>  |       |                     |                  |
| <b>Non-current assets</b>  |       |                     |                  |
| (a) Property, plant and equipment  | 3.1   | 14,667.10           | 14,202.56        |
| (b) Capital work-in-progress   |       | 178.03              | 15.04            |
| (c) Intangible assets  | 3.2   | 9,107.75            | 9,187.09         |
| (d) Financial assets   |       |                     |                  |
| (i) Investments  | 4.1   | 5,531.25            | 5,503.74         |
| (ii) Loans and deposits  | 5     | 3,391.29            | 2,974.82         |
| (iii) Other financial assets   | 6     | 2,374.18            | 17,030.90        |
| (e) Non-current tax assets (net)   |       | 419.73              | 278.13           |
| (f) Other non-current assets   | 7     | 1,697.64            | 1,776.99         |
| <b>(A) Total non-current assets</b>  |       | <b>37,366.97</b>    | <b>50,969.27</b> |
| <b>Current assets</b>  |       |                     |                  |
| (a) Inventories  | 8     | 25,205.19           | 24,249.13        |
| (b) Financial assets   |       |                     |                  |
| (i) Investments  | 4.2   | 423.17              | -                |
| (ii) Trade receivables   | 9     | 5,752.20            | 3,720.68         |
| (iii) Cash and cash equivalents  | 10.1  | 2,890.43            | 1,928.13         |
| (iv) Bank balances other than (iii) above                                    | 10.2  | 5,085.16            | 8,000.00         |
| (v) Loans and deposits   | 11    | -                   | 0.93             |
| (vi) Other financial assets  | 12    | 16,252.32           | 703.37           |
| (c) Current tax assets (net)   |       | 3.57                | 3.28             |
| (d) Other current assets   | 13    | 2,278.67            | 1,839.17         |
| <b>(B) Total current assets</b>  |       | <b>57,890.71</b>    | <b>40,444.69</b> |
| <b>TOTAL ASSETS [(A)+(B)]</b>  |       | <b>95,257.68</b>    | <b>91,413.96</b> |
| <b>EQUITY AND LIABILITIES</b>  |       |                     |                  |
| <b>EQUITY</b>  |       |                     |                  |
| (a) Equity share capital   | 14    | -                   | -                |
| (b) Equity share suspense  | 15    | 3,976.71            | 3,976.71         |
| (c) Other equity   | 16    | 55,329.21           | 55,022.31        |
| <b>(C) Total equity</b>  |       | <b>59,305.92</b>    | <b>58,999.02</b> |
| <b>LIABILITIES</b>   |       |                     |                  |
| <b>Non-current liabilities</b>   |       |                     |                  |
| (a) Financial liabilities  | 17    | 81.75               | 78.04            |
| (b) Provisions   | 18    | 773.49              | 813.04           |
| <b>(D) Total non-current liabilities</b>                                     |       | <b>855.24</b>       | <b>891.08</b>    |
| <b>Current liabilities</b>   |       |                     |                  |
| (a) Financial liabilities  |       |                     |                  |
| (i) Trade payables   | 19    |                     |                  |
| - Total outstanding dues of Micro and small enterprises                      |       | -                   | -                |
| - Total outstanding dues of creditors other than Micro and small enterprises |       | 31,141.43           | 27,954.09        |
| (ii) Other financial liabilities   | 20    | 1,762.63            | 1,362.72         |
| (b) Other current liabilities  | 21    | 674.46              | 710.80           |
| (c) Provisions   | 22    | 1,518.00            | 1,496.25         |
| <b>(E) Total current liabilities</b>   |       | <b>35,096.52</b>    | <b>31,523.86</b> |
| <b>TOTAL EQUITY AND LIABILITIES [(C)+(D)+(E)]</b>                            |       | <b>95,257.68</b>    | <b>91,413.96</b> |

The accompanying notes form an integral part of these Interim Standalone Financial Statements.

This is the Interim Standalone Balance Sheet referred to in our Report of even date.

For Batliboi, Purohit & Darbari  
Firm Registration Number - 303086E  
Chartered Accountants

  
CA Hemal Mehta  
Partner  
Membership No. 063404

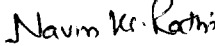



For and on behalf of Board of Directors

  
Shashwat Goenka  
Director  
DIN: 03486121

  
Sanjiv Goenka  
Chairman  
DIN: 00074796

  
Rahul Nayak  
Whole-time Director  
DIN: 06491536

  
Navin Kumar Rathi  
Company Secretary

  
Arvind Kumar Vats  
Chief Financial Officer

Place : Kolkata  
Date : 11th January 2019



**Spencer's Retail Limited (formerly known as RP-SG Retail Limited)**  
**Interim Standalone Statement of Profit and Loss for the half year ended 30th September 2018**

|  | Notes | For the half year<br>ended<br>30th September 2018<br>₹ Lakhs | For the period 8th<br>February 2017 to<br>31st March 2018<br>₹ Lakhs |
|--|-------|--|--|
| <b>Income:</b>   |       |  |  |
| Revenue from operations  | 23    | 1,09,023.91  | 1,04,285.96  |
| Other income   | 24    | 1,310.72   | 894.97   |
| <b>Total Income (I)</b>  |       | <b>1,10,334.63</b>   | <b>1,05,180.93</b>   |
| <b>Expenses:</b>   |       |  |  |
| Purchase of stock-in-trade   |       | 86,547.69  | 83,929.59  |
| Changes in inventories of traded goods and finished goods  | 25    | (1,014.61)   | (659.65)   |
| Cost of raw materials consumed   | 26    | 340.53   | 475.93   |
| Employee benefits expense  | 27    | 7,442.17   | 7,209.37   |
| Other expenses   | 28    | 14,917.13  | 13,287.78  |
| <b>Total Expenses (II)</b>   |       | <b>1,08,232.91</b>   | <b>1,04,243.02</b>   |
| <b>Earnings before interest, tax, depreciation and amortisation<br/>(EBITDA) [(I)-(II)]</b>        |       | <b>2,101.72</b>  | <b>937.91</b>  |
| Depreciation and amortisation  | 29    | 1,169.29   | 1,468.14   |
| Finance costs  | 30    | 412.46   | 379.92   |
| <b>Profit / (loss) before tax (III)</b>  |       | <b>519.97</b>  | <b>(910.15)</b>  |
| <b>Tax expense:</b>  |       |  |  |
| Current tax- minimum alternative tax   |       | 152.07   | -  |
| <b>Profit/(Loss) for the period (IV)</b>   |       | <b>367.90</b>  | <b>(910.15)</b>  |
| <b>Other Comprehensive Income</b>  |       |  |  |
| <b>Items that will not be reclassified subsequently to profit or loss</b>                          |       |  |  |
| (a) Remeasurement of defined benefit plans<br>[net of tax of ₹15.62 Lakhs (previous period : Nil)] |       | (61.00)  | (32.77)  |
| <b>Other Comprehensive Income for the period (V)</b>   |       | <b>(61.00)</b>   | <b>(32.77)</b>   |
| <b>Total Comprehensive Income for the period [(IV)+(V)]</b>  |       | <b>306.90</b>  | <b>(942.92)</b>  |
| <b>Earnings per share - Basic and Diluted</b>  | 31    | 0.46   | (2.62)   |
| [Nominal value per equity share ₹ 5 (previous period : ₹ 5)]                                       |       |  |  |

The accompanying notes form an integral part of these Interim Standalone Financial Statements  
This is the Interim Standalone Statement of Profit and Loss referred to in our Report of even date.

For Batliboi, Purohit & Darbari  
Firm Registration Number - 303086E  
Chartered Accountants

CA Hemal Mehta  
Partner  
Membership No. 063404



For and on behalf of Board of Directors

*Shashwat Goenka*  
Shashwat Goenka  
Director  
DIN: 03486121

*Sanjiv Goenka*  
Sanjiv Goenka  
Chairman  
DIN: 00074796

*Rahul Nayak*  
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Whole-time Director  
DIN: 06491536

*Navin Kumar Rathi*  
Navin Kumar Rathi  
Company Secretary

*Arvind Kumar Vats*  
Arvind Kumar Vats  
Chief Financial Officer

Place : Kolkata  
Date : 11th January 2019



**Spencer's Retail Limited (formerly known as RP-SG Retail Limited)**  
**Interim Standalone Statement of Changes in Equity for the half year ended 30th September 2018**

|                            | As at 30th September 2018 |            | As at 31st March 2018 |            |
|----------------------------|---------------------------|------------|-----------------------|------------|
|                            | No. of shares             | ₹ in Lakhs | No. of shares         | ₹ in Lakhs |
| A. Equity share capital    |                           |            |                       |            |
| B. Equity share suspense * |                           |            |                       |            |
| Equity shares of ₹ 5 each  | 7,95,34,226               | 3,976.71   | 7,95,34,226           | 3,976.71   |

\* Represents equity shares subsequently allotted on 14th November 2018.

**C. Other equity**

| Particulars                                     | Reserves and Surplus |                   | ₹ Lakhs   |
|---|----------------------|-------------------|-----------|
|   | Capital Reserve      | Retained Earnings |           |
| Balance as at 8th February 2017                 | -                    | -                 | -         |
| Loss for the period                             | -                    | (910.15)          | (910.15)  |
| Acquired pursuant to the Scheme (refer note 42) | 55,965.23            | -                 | 55,965.23 |
| Remeasurement of defined benefit plans          | -                    | (32.77)           | (32.77)   |
| Balance at 31st March 2018                      | 55,965.23            | (942.92)          | 55,022.31 |
| Profit for the period                           | -                    | 367.90            | 367.90    |
| Remeasurement of defined benefit plans          | -                    | (61.00)           | (61.00)   |
| Balance at 30th September 2018                  | 55,965.23            | (636.02)          | 55,329.21 |

The accompanying notes form an integral part of these Interim Standalone Financial Statements

This is the Interim Standalone Statement of Changes in Equity referred to in our Report of even date.

For Batliboi, Purohit & Darbari  
 Firm Registration Number - 303086E

Chartered Accountants

*(Signature)*  
 CA/Hemal Mehta  
 Partner  
 Membership No. 063404



For and on behalf of Board of Directors

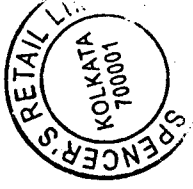
*(Signature)*  
 Shashwat Goenka  
 Director  
 DIN: 03486121

*(Signature)*  
 Rahul Nayak  
 Whole-time Director  
 DIN: 06491536

*(Signature)*  
 Navin K. Rathi  
 Navin Kumar Rathi  
 Company Secretary

*(Signature)*  
 Sanjiv Goenka  
 Chairman  
 DIN: 00074796

*(Signature)*  
 Arvind Kumar Vats  
 Chief Financial Officer



Place : Kolkata

Date : 11th January 2019

**Spencer's Retail Limited (formerly known as RP-SG Retail Limited)**  
**Interim Standalone Cash Flow Statement for the half year ended 30th September 2018**

|  | For the half year<br>ended<br>30th September 2018<br>₹ Lakhs | For the period<br>8th February 2017 to<br>31st March 2018<br>₹ Lakhs |
|--|--|--|
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>   |  |  |
| Profit / (loss) before tax   | 519.97   | (910.15)   |
| Adjustments:   |  |  |
| Depreciation and amortisation  | 1,169.29   | 1,468.14   |
| Provision for Bad and Doubtful Debts/ Bad debts / irrecoverable balances written off                                   | 68.20  | 84.11  |
| Provision for Doubtful Store Lease Deposits/ Advances  | 13.31  | -  |
| Interest expense (excluding interest cost on actuarial valuation and asset retirement obligation)                      | 14.97  | 1.42   |
| Fair value gain on non-current investments   | (56.57)  | -  |
| Net gain on sale of investments  | (38.93)  | (62.41)  |
| Interest income  | (958.25)   | (809.20)   |
| (Gain)/Loss on sale/discard of Property, Plant & Equipments and Intangible assets                                      | (18.81)  | 3.48   |
| Provision for decommissioning liability (net)  | 23.45  | 16.09  |
| Interest on preference share suspense  | 3.71   | 78.04  |
| Provision for obsolete stocks  | 101.80   | 246.84   |
| <b>Operating Loss before working capital changes</b>   | <b>842.14</b>  | <b>116.36</b>  |
| <b>Movement in working capital:</b>  |  |  |
| Decrease / (increase) in trade payables  | 3,187.34   | (1,597.67)   |
| Increase / (decrease) in other financial liabilities   | 126.41   | (3,422.60)   |
| (Decrease) in other current liabilities  | (36.34)  | (47.76)  |
| (Decrease) in provisions   | (125.69)   | (80.75)  |
| (Increase) / decrease in trade receivables   | (2,099.72)   | 1,273.63   |
| (Increase) in inventories  | (1,057.86)   | (643.14)   |
| (Increase) / decrease in other financial assets  | (450.89)   | 70.25  |
| (Increase) / decrease in loans and deposits  | (428.85)   | 181.98   |
| (Increase) in other assets   | (571.41)   | (134.76)   |
| <b>Net cash used in operating activities (A)</b>   | <b>(614.87)</b>  | <b>(4,284.46)</b>  |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>   |  |  |
| Purchase of property, plant and equipments, including intangible assets, capital work in progress and capital advances | (1,533.58)   | (632.64)   |
| Proceeds from sale of property, plant and equipments   | 33.86  | 8.45   |
| Investment in subsidiary company   | (355.00)   | (4,818.57)   |
| Proceed from sale of / (investment in) investments   | 29.15  | (375.00)   |
| Proceeds from sale of mutual fund units  | 5,515.74   | 15,962.40  |
| Purchase of mutual fund units  | (5,900.00)   | (15,355.29)  |
| Redemption/maturity of bank deposits (having original maturity of less than three months)                              | 15,320.44  | 40,995.77  |
| Investments in bank deposits (having original maturity of more than three months)                                      | (12,422.18)  | (59,985.59)  |
| Interest received  | 888.99   | 560.19   |
| <b>Net cash flow from / (used in) investing activities (B)</b>   | <b>1,577.42</b>  | <b>(23,640.28)</b>   |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>   |  |  |
| Setoff/Proceeds/(Repayment) from short-term borrowings (net)   | -  | 8,210.57   |
| Proceeds from Issue of Share Capital (including securities premium)  | -  | 5.00   |
| Interest paid  | (0.25)   | (18.81)  |
| <b>Net cash flow (used in) / from financing activities (C)</b>   | <b>(0.25)</b>  | <b>8,196.76</b>  |
| <b>Net increase / (decrease) in Cash and Cash equivalents (A+B+C)</b>  | <b>962.30</b>  | <b>(19,727.98)</b>   |
| Cash and cash equivalents acquired pursuant to scheme of restructuring (refer Note 42)                                 | -  | 21,656.11  |
| Cash and cash equivalents at the beginning of the period   | 1,928.13   | -  |
| <b>Cash and cash equivalents at the end of the period</b>  | <b>2,890.43</b>  | <b>1,928.13</b>  |
| <b>Components of cash and cash equivalents</b>   |  |  |
| With banks-on current account  | 1,144.82   | 1,156.16   |
| Balance with Credit Card, E-Wallet Companies & Others  | 809.96   | 405.99   |
| Cash in hand   | 935.65   | 365.98   |
| <b>Total cash and cash equivalents (Refer Note 10.1)</b>   | <b>2,890.43</b>  | <b>1,928.13</b>  |

**Change in Liability arising from financing activities**

| Particulars            | As on<br>1st April 2018 | Cash flows from<br>financing activities | Non-cash<br>changes | As on 30th September<br>2018 |
|------------------------|-------------------------|---|---------------------|------------------------------|
| Financial liabilities* | 78.04                   | -                                       | 3.71                | 81.75                        |

\* Pertains to preference shares suspense (refer note 17)

The accompanying notes form an integral part of these Interim Standalone Financial Statements

This is the Interim Standalone Cash Flow Statement referred to in our Report of even date.

For Batliboi, Purohit & Darbari  
 Firm Registration Number - 303086E  
 Chartered Accountants

CA Hemal Mehta  
 Partner  
 Membership No. 063404



For and on behalf of Board of Directors

*Shashwat Goenka*  
 Shashwat Goenka  
 Director  
 DIN: 03486121

*Rahul Nayak*  
 Rahul Nayak  
 Whole-time Director  
 DIN: 06491536

*Navin Kumar Rathi*  
 Navin Kumar Rathi  
 Company Secretary

*Sanjiv Goenka*  
 Sanjiv Goenka  
 Chairman  
 DIN: 00074796

*Arvind Kumar Vats*  
 Arvind Kumar Vats  
 Chief Financial Officer

Place : Kolkata  
 Date : 11th January 2019



# Spencer's Retail Limited (formerly known as RP-SG Retail Limited)

## Notes to Interim Standalone Financial Statements as at and for the half year ended 30th September 2018

### 1 Corporate Information

Spencer's Retail Limited (formerly known as RP-SG Retail Limited) ("the Company") is a public limited company incorporated under the provisions of the Companies Act, 2013 ("the Act") under the corporate identity number U74999WB2017PLC219355 having its registered office at CESC House, Chowringhee Square, Kolkata- 700001. The name of the Company was subsequently changed from "RP-SG Retail Limited" to "Spencer's Retail Limited" vide certificate of incorporation pursuant to change of name issued by the Registrar of Companies, Kolkata dated 13th December 2018.

The Company is primarily engaged in developing, conducting, investing and promoting organised retail and operates departmental and neighbourhood stores under various formats across the country.

### 2 Basis of Preparation

These special purpose interim standalone financial statements ("the interim standalone financial statements") of the Company for the period ended 30th September 2018 have been prepared in accordance with Ind AS 34 "Interim Financial Reporting" specified under Section 133 of the Act read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2013 ("the Rules"), as amended for the limited purpose of inclusion in the Information Memorandum to be filed with Stock Exchanges. Accordingly the comparative number for interim standalone statement of profit and loss, interim standalone statement of changes in equity and interim standalone cash flow statement has been given for the period 8th February 2017 to 31 March 2018, instead of April to September 2017.

The interim standalone financial statements have been prepared on a historical cost basis, except for certain assets and liabilities which had been measured at fair value. (refer accounting policy regarding interim standalone financial instruments).

### 2.1 Significant Accounting Policies

#### a) Property, plant and equipment

Property, Plant and Equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises of purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Expenditure in respect of improvements, etc. carried out at the rented / leased premises are capitalised and depreciated over the initial period of lease or useful life of assets, whichever is lower.

Expenditure incurred in setting up of stores are capitalized as a part of Leasehold improvements.

The present value of the expected cost to be incurred on removal of assets at the time of store closure is included in the cost of leasehold improvements. Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Depreciation on Property, Plant and Equipment is calculated on a straight-line basis using the rates arrived based on the useful lives estimated by the management, which is as follows:

| Class of Assets        | Useful lives estimated by the management (years) |
|------------------------|--|
| Computers and hardware | 3 to 6 years                                     |
| Furniture and fixtures | 3 to 15 years                                    |
| Vehicles               | 5 years  |
| Office equipments      | 5 years  |
| Plant and machineries  | 15 to 25 years                                   |

The management has estimated, based on the Company's internal evaluation, the useful lives of certain plant and machinery, furniture and fixtures and computer and hardware between 15 to 25 years, 3 to 15 years and 3 to 6 years, respectively. The management believes that these estimated useful life are realistic and reflect fair approximation of the period over which the asset are likely to be used.

The carrying amount of assets is reviewed at each balance sheet date, to determine if there is any indication of impairment based on the internal/external factors. An impairment loss is recognized wherever the carrying amount of assets exceeds its recoverable amount which is the greater of net selling price and value in use of the respective assets. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and risk specific to the asset. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

#### b) Intangible assets

Acquired computer softwares, trademark, knowhow and licenses are capitalised on the basis of the costs incurred to acquire and bring the specific asset to its intended use and subsequently at cost less accumulated amortisation and accumulated impairment loss, if any.

Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an impairment indicator. The amortisation expense is recognised in the statement of profit and loss.

Gain or loss arising on disposal of the intangible asset is included in the statement of profit and loss.

A summary of the amortisation period applied to the Company's intangible assets is, as follows:

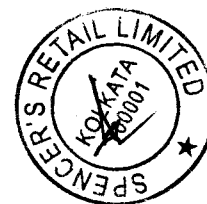
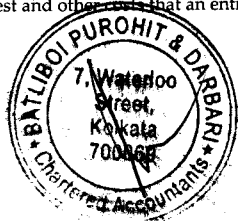
| Class of Assets      | Useful lives estimated by the management (years) |
|----------------------|--|
| Computer softwares   | 6 years  |
| Knowhow and licenses | 10 years   |

The Company has considered infinite life for Trade mark and hence it is tested for impairment annually.

#### c) Borrowing cost

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale is capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.





# Spencer's Retail Limited (formerly known as RP-SG Retail Limited)

## Notes to Interim Standalone Financial Statements as at and for the half year ended 30th September 2018

### d) Investments

Investment in equity instruments are measured at Fair Value through Other Comprehensive Income (FVTOCI). All fair value changes on such investments, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Investments in units of Mutual Funds and Alternative Investment Fund are accounted for at fair value and the changes in fair value are recognised in Statement of Profit and Loss.

### e) Impairment of financial assets

In accordance with Ind AS 109: Financial Instruments, the Company recognises impairment loss allowance on deposits based on historically observed default rates. Impairment loss allowance recognised/reversed during the period are charged/written back to Statement of Profit and Loss.

### f) Inventories

Traded goods and packing materials are valued at lower of cost and net realizable value. Cost includes purchase price and other incidental expenses. Cost is determined under moving weighted average method.

Raw materials are valued at lower of cost and net realisable value. However, materials held for use in production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a weighted average basis.

Obsolete, slow moving and defective inventories are identified from time to time and where necessary a provision is made for such inventories.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated cost necessary to make the sale.

### g) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

### h) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

### i) Retirement and other employee benefits

Retirement benefits in the form of Provident & Superannuation Funds are defined contribution schemes and the contributions are charged to the Statement of Profit and Loss of the period when the contributions to the respective funds are due. There are no obligations other than the contribution payable to the respective funds.

Gratuity liability is a defined benefit obligation and contribution, by way of premium is paid to Life Insurance Corporation of India (L.I.C.), under the Company Gratuity Scheme. Gratuity liability is provided based on actuarial valuation on projected unit credit method done at the end of each period.

Long term compensated absences are provided for on the basis of actuarial valuation carried out at the period end as per projected unit credit method.

The current and non current bifurcation has been done as per the Actuarial report.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in Other Comprehensive Income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the Statement of Profit and Loss:

- (i) Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- (ii) Net interest expense or income

### j) Foreign Currency Transactions

Transactions in foreign currencies are initially recorded in reporting currency by the Company at spot rates at the date of transaction. The Company's functional currency and reporting currency is same i.e. Indian Rupees.

Foreign currency monetary items are reported using the closing rate. Foreign currency non-monetary items measured at historical cost are translated using the exchange rates at the dates of the initial transactions. Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss.

### k) Revenue Recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

The following specific recognition criteria must also be met before revenue is recognised



# Spencer's Retail Limited (formerly known as RP-SG Retail Limited)

## Notes to Interim Standalone Financial Statements as at and for the half year ended 30th September 2018

### Sale of goods

Revenue recognised from the sale of products is measured at the fair value of the consideration received or receivable, net of returns and trade discounts. The Company collects Goods and Service Tax (GST) on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Accordingly, they are excluded from revenue.

Where the Company is the principal in the transaction the sales are recorded at their gross values. Where the Company is effectively the agent in the transaction, the cost of the merchandise is disclosed as a deduction from the gross value.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of equipment, the Company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

Any amounts received from merchandiser for which the Company do not provide any distinct good or service are considered as a reduction of purchase costs.

### Income from Recoveries and Services

Income from recoveries and services mainly represents recoveries made on account of advertisement for use of space by the customers and other expenses charged from suppliers and are recognized and recorded based on the arrangements with concerned parties. The Company collects Goods and Service Tax on behalf of the government and, therefore, it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue.

The Company has contracts with concessionaire whereby the Company provides its store space for facilitating the sales of the products of these concessionaires. Thus, the Company is an agent and records revenue at the net amount that it retains for its agency services.

### Interest Income

Interest income is recorded using the effective interest rate (EIR). Interest income is included as finance income in the Statement of Profit and Loss.

## l) Taxes

### Current income tax

Current income tax is measured at the amount expected to be paid, if any to the tax authorities in accordance with Indian Income Tax Act, 1961. Management periodically evaluates positions taken in the tax returns vis-a-vis positions taken in books of account, which are subject to interpretation, and creates provisions where appropriate.

### Deferred tax

Deferred tax is provided on temporary differences between the tax bases and accounting bases of assets and liabilities at the tax rates and laws that have been enacted or substantively enacted at the Balance Sheet date.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

For items recognised in OCI or equity, deferred / current tax is also recognised in OCI or equity.

## m) Leases

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. All other leases are operating lease. Operating lease payments as per terms of the agreement are recognised as an expense in the Statement of Profit and Loss representing the time pattern of benefit to the Company as per specific lease terms.

## n) Earnings per Share

Basic earnings per share is calculated by dividing the net profit or loss before Other Comprehensive Income for the period by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss before Other Comprehensive Income for the period and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

## o) Contingent liabilities

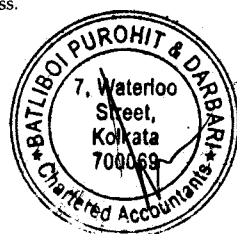
A contingent liabilities is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the interim standalone financial statements.

## p) Business combination

Business combination involving entities or businesses under common control are accounted for using the pooling of interest method whereby the assets and liabilities of the combining entities / business are reflected at their carrying value and necessary adjustments, if any, have been given effect to as per the scheme approved by National Company Law Tribunal.

## q) Measurement of EBITDA

The Company has elected to present earnings before interest, tax expenses, depreciation and amortization expenses (EBITDA) as a separate line item on the face of the Statement of Profit and Loss.



**Spencer's Retail Limited (formerly known as RP-SG Retail Limited)**

**Notes to Interim Standalone Financial Statements as at and for the half year ended 30th September 2018**

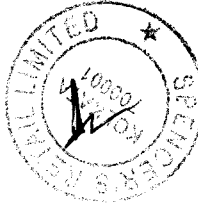
| 3.1 Property, plant and equipment               | ₹ Lakhs                |                       |                    |          |                        |                   |           |
|---|------------------------|-----------------------|--------------------|----------|------------------------|-------------------|-----------|
|   | Leasehold improvements | Plant and machineries | Computer hardwares | Vehicles | Furniture and fixtures | Office equipments | Total     |
| <u>Gross carrying amount</u>                    |                        |                       |                    |          |                        |                   |           |
| <u>Cost</u>                                     |                        |                       |                    |          |                        |                   |           |
| As at 8th February 2017                         | 9,098.25               | 4,199.80              | 1,514.48           | 22.96    | 6,433.70               | 131.97            | 21,401.16 |
| Acquired pursuant to the Scheme (refer note 42) | 6.45                   | 183.79                | 207.73             | -        | 96.27                  | 4.60              | 498.84    |
| Additions                                       | 174.84                 | 13.22                 | 8.72               | 3.41     | 29.59                  | 0.34              | 230.12    |
| Disposals                                       | 8,929.86               | 4,370.37              | 1,713.49           | 19.55    | 6,500.38               | 136.23            | 21,669.88 |
| As at 31st March 2018                           | 455.21                 | 372.87                | 222.89             | -        | 500.48                 | 4.70              | 1,556.15  |
| Additions during the period                     | 3.15                   | 33.00                 | 32.21              | -        | 74.89                  | -                 | 143.24    |
| Disposals                                       | 9,381.92               | 4,710.24              | 1,904.17           | 19.55    | 6,925.97               | 140.93            | 23,082.79 |
| As at 30th September 2018                       |                        |                       |                    |          |                        |                   |           |

Accumulated depreciation

|   |          |          |          |       |          |       |          |
|---|----------|----------|----------|-------|----------|-------|----------|
| As at 8th February 2017                         | 2,135.98 | 901.45   | 922.74   | 13.40 | 2,326.77 | 20.00 | 6,320.34 |
| Acquired pursuant to the Scheme (refer note 42) | 433.49   | 234.64   | 175.77   | 8.23  | 502.86   | 7.16  | 1,362.15 |
| Depreciation for the period (refer note 29)     | 174.84   | 11.85    | 6.17     | 3.41  | 18.66    | 0.24  | 215.17   |
| Disposals                                       | 2,394.63 | 1,124.24 | 1,092.34 | 18.22 | 2,810.97 | 26.92 | 7,467.32 |
| As at 31st March 2018                           | 367.15   | 238.15   | 151.11   | 0.25  | 312.73   | 7.08  | 1,076.47 |
| Depreciation for the period (refer note 29)     | 2.99     | 25.89    | 32.10    | -     | 67.12    | -     | 128.10   |
| Disposals                                       | 2,758.79 | 1,336.50 | 1,211.34 | 18.47 | 3,056.58 | 34.00 | 8,415.69 |
| As at 30th September 2018                       |          |          |          |       |          |       |          |

Net carrying amount

|                           |          |          |        |      |          |        |           |
|---------------------------|----------|----------|--------|------|----------|--------|-----------|
| As at 8th February 2017   | -        | -        | -      | -    | -        | -      | -         |
| As at 31st March 2018     | 6,535.23 | 3,246.13 | 621.15 | 1.33 | 3,689.41 | 109.31 | 14,202.56 |
| As at 30th September 2018 | 6,623.13 | 3,373.74 | 692.83 | 1.08 | 3,869.39 | 106.93 | 14,667.10 |



**Spencer's Retail Limited (formerly known as RP-SG Retail Limited)**  
**Notes to Interim Standalone Financial Statements as at and for the half year ended 30th September 2018**

**3.2 Intangible assets**

|   | Computer<br>Softwares | Know-How<br>and Licenses | Trade Mark *    | Total           |
|---|-----------------------|--------------------------|-----------------|-----------------|
|   | ₹ Lakhs               |                          |                 |                 |
| <b>Gross carrying amount</b>                    |                       |                          |                 |                 |
| <b>Cost</b>                                     |                       |                          |                 |                 |
| As at 8th February 2017                         |                       |                          |                 |                 |
| Acquired pursuant to the scheme (refer note 42) | 758.10                | 295.05                   | 8,625.00        | 9,678.15        |
| Additions                                       | 52.31                 | -                        | -               | 52.31           |
| Disposals                                       | 2.47                  | -                        | -               | 2.47            |
| As at 31st March 2018                           | <u>807.94</u>         | <u>295.05</u>            | <u>8,625.00</u> | <u>9,727.99</u> |
| Additions                                       | 13.48                 | -                        | -               | 13.48           |
| As at 30th September 2018                       | <u>821.42</u>         | <u>295.05</u>            | <u>8,625.00</u> | <u>9,741.47</u> |
| <b>Accumulated amortisation</b>                 |                       |                          |                 |                 |
| As at 8th February 2017                         |                       |                          |                 |                 |
| Acquired pursuant to the scheme (refer note 42) | 286.59                | 150.67                   | -               | 437.26          |
| Amortisation for the period (refer note 29)     | 78.63                 | 27.36                    | -               | 105.99          |
| Disposals                                       | 2.35                  | -                        | -               | 2.35            |
| As at 31st March 2018                           | <u>362.87</u>         | <u>178.03</u>            | <u>-</u>        | <u>540.90</u>   |
| Amortisation for the period (refer note 29)     | 64.85                 | 27.97                    | -               | 92.82           |
| As at 30th September 2018                       | <u>427.72</u>         | <u>206.00</u>            | <u>-</u>        | <u>633.72</u>   |
| <b>Net carrying amount</b>                      |                       |                          |                 |                 |
| As at 8th February 2017                         |                       |                          |                 |                 |
| As at 31st March 2018                           | <u>445.07</u>         | <u>117.02</u>            | <u>8,625.00</u> | <u>9,187.09</u> |
| As at 30th September 2018                       | <u>393.70</u>         | <u>89.05</u>             | <u>8,625.00</u> | <u>9,107.75</u> |

\* Trade mark has been considered of having an indefinite useful life taking into account that there are no technical, technological or commercial risks of obsolescence or limitations under contract or law. The indefinite life intangible assets are tested for impairment annually.



# Spencer's Retail Limited (formerly known as RP-SG Retail Limited)

Notes to Interim Standalone Financial Statements as at and for the half year ended 30th September 2018

| 4 <u>Investments</u>  | <u>30th September 2018</u> | <u>31st March 2018</u> |
|---|----------------------------|------------------------|
| 4.1 <u>Non-current</u>  | ₹ Lakhs                    | ₹ Lakhs                |
| <u>Unquoted</u>   |                            |                        |
| <b>Investments in equity instruments (at FVTOCI)</b>  |                            |                        |
| <b>Subsidiary :</b>   |                            |                        |
| Omnipresent Retail India Private Limited of ₹ 10 each:<br>3,90,46,579 equity shares as at 30th September 2018 (31st<br>March 2018: 3,90,46,579 equity shares) | 4,818.58                   | 4,818.58               |
| <b>Others :</b>   |                            |                        |
| Retailer's Association of India: 10,000 equity share as at 30th<br>September 2018 (31st March 2018: 10,000)   | 1.00                       | 1.00                   |
| <b>Investment in Alternative Investment Fund (at FVTPL)</b>   |                            |                        |
| Fireside Ventures Investment Fund of ₹100,000 each : 729.69<br>units as at 30th September 2018 (31st March 2018: 750 units)                                   | 711.67                     | 684.16                 |
|   | <u>5,531.25</u>            | <u>5,503.74</u>        |
| <br>  |                            |                        |
| 4.2 <u>Current</u>  | <u>30th September 2018</u> | <u>31st March 2018</u> |
| <u>Quoted</u>   | ₹ Lakhs                    | ₹ Lakhs                |
| <b>Investment in Mutual Fund (at FVTPL)</b>   |                            |                        |
| 20,27,165.925 units of ₹ 10.1421 each of IDFC Ultra Short<br>Term Fund- Growth- (Direct Plan) (31st March 2018: Nil)  | 205.60                     | -                      |
| 7,96,051.584 units of ₹ 25.5448 each of IDFC Low Duration<br>Fund- Growth- (Direct Plan) (31st March 2018: Nil)   | 203.34                     | -                      |
| 178.586 units of ₹ 2,186.8661 each of IDFC Cash Fund-<br>Growth-(Direct Plan) (31st March 2018: Nil)  | 3.91                       | -                      |
| 1,187.127 units of ₹ 289.4784 each of Adiya Birla Sun life<br>Liquid Fund - Growth Option(31st March 2018: Nil)   | 3.43                       | -                      |
| 55.481 units of ₹ 3,545.7911 each HDFC Liquid Fund-<br>Growth option (31st March 2018: Nil)   | 1.97                       | -                      |
| 111.887 units of ₹ 4,394.4298 each of Reliance Liquid Fund-<br>Direct plan - Growth Option (31st March 2018: Nil)   | 4.92                       | -                      |
|   | <u>423.17</u>              | <u>-</u>               |

Aggregate amount of unquoted investments as at 30th September 2018 : ₹ 5,531.25 Lakhs (31st March 2018: ₹ 5,503.74 Lakhs)

| 5 <u>Loans and deposits (at amortised cost)</u>      | <u>30th September 2018</u> | <u>31st March 2018</u> |
|--|----------------------------|------------------------|
| (Unsecured, considered good unless stated otherwise) | ₹ Lakhs                    | ₹ Lakhs                |
| <b>Deposits</b>                                      |                            |                        |
| Considered good                                      | 3,391.29                   | 2,974.82               |
| Significant increase in credit risk                  | 13.35                      | 13.95                  |
| Credit impaired                                      | 145.30                     | 131.99                 |
|  | <u>3,549.94</u>            | <u>3,120.76</u>        |
| <b>Impairment allowance:</b>                         |                            |                        |
| Significant increase in credit risk                  | (13.35)                    | (13.95)                |
| Credit impaired                                      | (145.30)                   | (131.99)               |
|  | <u>3,391.29</u>            | <u>2,974.82</u>        |



# Spencer's Retail Limited (formerly known as RP-SG Retail Limited)

Notes to Interim Standalone Financial Statements as at and for the half year ended 30th September 2018

| 6 <u>Other financial assets (at amortised cost)</u><br>(Unsecured, considered good unless stated otherwise)  | <u>30th September 2018</u><br>₹ Lakhs | <u>31st March 2018</u><br>₹ Lakhs |
|--|---------------------------------------|-----------------------------------|
| Other bank balances  |                                       |                                   |
| - Bank deposits with original maturity for more than 12 months   | 0.50                                  | 15,300.00                         |
| - Margin money deposit *   | 1,878.15                              | 1,640.88                          |
| Advances to related parties  |                                       |                                   |
| - Share application money to subsidiary  | 355.00                                | -                                 |
| Interest accrued on bank deposits  | 136.03                                | 89.81                             |
| Advances to employees  | 4.50                                  | 0.21                              |
|  | <u>2,374.18</u>                       | <u>17,030.90</u>                  |
| * Margin money deposits of ₹1,878.15 Lakhs (31st March 2018: ₹ 1,640.88 Lakhs) are encumbered with banks against bank guarantees and overdraft facilities. |                                       |                                   |
| 7 <u>Other non-current assets (at amortised cost)</u><br>(Unsecured, considered good unless stated otherwise)  | <u>30th September 2018</u><br>₹ Lakhs | <u>31st March 2018</u><br>₹ Lakhs |
| Capital advances   |                                       |                                   |
| Considered good  | 97.77                                 | 14.57                             |
| Considered doubtful  | 3.54                                  | 3.54                              |
|  | <u>101.31</u>                         | <u>18.11</u>                      |
| Less: considered doubtful  | (3.54)                                | (3.54)                            |
|  | <u>97.77</u>                          | <u>14.57</u>                      |
| Advances other than capital advances:  |                                       |                                   |
| Prepaid expenses   | 1,567.52                              | 1,731.39                          |
| Deposits for claims and tax disputes   | 32.35                                 | 31.03                             |
|  | <u>1,697.64</u>                       | <u>1,776.99</u>                   |
| 8 <u>Inventories</u><br>(at lower of cost and net realisable value)  | <u>30th September 2018</u><br>₹ Lakhs | <u>31st March 2018</u><br>₹ Lakhs |
| Raw materials  | 87.38                                 | 79.29                             |
| Finished goods   | 14.97                                 | 18.50                             |
| Stock-in-trade   | 25,592.04                             | 24,573.90                         |
| Less : Provision for obsolete stock  | (811.80)                              | (694.28)                          |
|  | <u>24,780.24</u>                      | <u>23,879.62</u>                  |
| Packing materials  | 333.75                                | 298.59                            |
| Less : Provision for obsolete stock  | (11.15)                               | (26.87)                           |
|  | <u>322.60</u>                         | <u>271.72</u>                     |
|  | <u>25,205.19</u>                      | <u>24,249.13</u>                  |
| 9 <u>Trade receivables (at amortised cost)</u><br>(Unsecured, considered good unless stated otherwise)   | <u>30th September 2018</u><br>₹ Lakhs | <u>31st March 2018</u><br>₹ Lakhs |
| Considered good  | 5,752.20                              | 3,720.68                          |
| Credit impaired  | 149.70                                | 81.50                             |
|  | <u>5,901.90</u>                       | <u>3,802.18</u>                   |
| Less: allowance for credit impaired receivable   | (149.70)                              | (81.50)                           |
|  | <u>5,752.20</u>                       | <u>3,720.68</u>                   |

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.  
Refer note 36 for receivables from related parties.



# Spencer's Retail Limited (formerly known as RP-SG Retail Limited)

Notes to Interim Standalone Financial Statements as at and for the half year ended 30th September 2018

| 10 <u>Cash and bank balances</u>  | <u>30th September 2018</u> | <u>31st March 2018</u> |
|---|----------------------------|------------------------|
|   | ₹ Lakhs                    | ₹ Lakhs                |
| <b>10.1 <u>Cash and cash equivalents</u></b>  |                            |                        |
| Balance with banks  | 1,144.82                   | 1,156.16               |
| - On current accounts   | 809.96                     | 405.99                 |
| Balance with credit card, e-wallet companies and others   | 935.65                     | 365.98                 |
| Cash on hand  | <u>2,890.43</u>            | <u>1,928.13</u>        |
| <b>10.2 <u>Other bank balances</u></b>  |                            |                        |
| Deposits with original maturity of more than 3 months and less than 12 months                                       | 5,085.16                   | 8,000.00               |
|   | <u>5,085.16</u>            | <u>8,000.00</u>        |
| <b>11 <u>Loans and deposits (at amortised cost)</u></b><br>(Unsecured, considered good)                             | <u>30th September 2018</u> | <u>31st March 2018</u> |
|   | ₹ Lakhs                    | ₹ Lakhs                |
| Deposits  | -                          | 0.93                   |
|   | <u>-</u>                   | <u>0.93</u>            |
| <b>12 <u>Other financial assets (at amortised cost)</u></b><br>(Unsecured, considered good unless stated otherwise) | <u>30th September 2018</u> | <u>31st March 2018</u> |
|   | ₹ Lakhs                    | ₹ Lakhs                |
| Other bank balances   |                            |                        |
| - Bank deposits with original maturity for more than 12 months  | 15,319.12                  | 239.81                 |
| Interest accrued on bank deposits   | 145.86                     | 122.82                 |
| Advances to employees   | 57.24                      | 40.35                  |
| Other receivables   | 730.10                     | 300.39                 |
|   | <u>16,252.32</u>           | <u>703.37</u>          |
| <b>13 <u>Other current assets</u></b><br>(Unsecured, considered good unless stated otherwise)                       | <u>30th September 2018</u> | <u>31st March 2018</u> |
|   | ₹ Lakhs                    | ₹ Lakhs                |
| Advances recoverable in cash or in kind   | 689.75                     | 325.09                 |
| Prepaid expenses  | 1,029.11                   | 655.37                 |
| Balance with statutory / government authorities   | 559.81                     | 858.71                 |
|   | <u>2,278.67</u>            | <u>1,839.17</u>        |



**Spencer's Retail Limited (formerly known as RP-SG Retail Limited)**

**Notes to Interim Standalone Financial Statements as at and for the half year ended 30th September 2018**

**14 Equity share capital**

|                                 | <u>30th September 2018</u> |                    | <u>31st March 2018</u> |                    |
|---------------------------------|----------------------------|--------------------|------------------------|--------------------|
|                                 | No. of shares              | ₹ in Lakhs         | No. of shares          | ₹ in Lakhs         |
| <b>Authorised</b>               |                            |                    |                        |                    |
| Equity shares of ₹ 5 each       | 2,99,01,00,000             | 1,49,505.00        | 2,99,01,00,000         | 1,49,505.00        |
| Preference shares of ₹ 100 each | 5,00,000                   | 500.00             | 5,00,000               | 500.00             |
|                                 | <u>2,99,06,00,000</u>      | <u>1,50,005.00</u> | <u>2,99,06,00,000</u>  | <u>1,50,005.00</u> |

**15 Equity share suspense**

|  | <u>30th September 2018</u> |            | <u>31st March 2018</u> |            |
|--|----------------------------|------------|------------------------|------------|
|  | No. of shares              | ₹ in Lakhs | No. of shares          | ₹ in Lakhs |
| <b>Equity shares to be issued pursuant to the Scheme (refer note 42)</b> |                            |            |                        |            |
| Equity shares of ₹ 5 each  | 7,95,34,226                | 3,976.71   | 7,95,34,226            | 3,976.71   |

**Note:**

- 1) 7,95,34,226 equity shares of ₹ 5 each amounting to ₹ 3,976.71 Lakhs is the proposed equity share capital of the Company effective from 1st October, 2017 post restructuring. The Company is in the process of listing its equity shares in the recognised Stock exchanges in India, hence the share capital stands unallotted and disclosed under equity share suspense account.
- 2) In terms of the Scheme, the paid up equity share capital of ₹ 5.00 lakhs of Spencer's Retail Limited (formerly known as RP-SG Retail Limited) pertaining to the period prior to the Appointed date i.e. 1st October 2017 stands cancelled and reduced (refer note 42).
- 3) The equity shares have been subsequently allotted on 14th November 2018.

**16 Other equity**

|   | <u>30th September 2018</u> | <u>31st March 2018</u> |
|---|----------------------------|------------------------|
|   | ₹ Lakhs                    | ₹ Lakhs                |
| <b>16.1 Capital reserve</b>                       |                            |                        |
| Balance as at beginning of the period             | 55,965.23                  | -                      |
| Acquired during the period [refer note (i) below] | -                          | 55,965.23              |
| <b>Balance as at end of the period</b>            | <u>55,965.23</u>           | <u>55,965.23</u>       |
|   |                            |                        |
|   | <u>30th September 2018</u> | <u>31st March 2018</u> |
|   | ₹ Lakhs                    | ₹ Lakhs                |
| <b>16.2 Retained earnings</b>                     |                            |                        |
| Balance as at beginning of the period             | (942.92)                   | -                      |
| Remeasurement of defined benefit plans            | (61.00)                    | (32.77)                |
| Profit / (loss) for the period                    | 367.90                     | (910.15)               |
| <b>Balance as at end of the period</b>            | <u>(636.02)</u>            | <u>(942.92)</u>        |
|   | <u>55,329.21</u>           | <u>55,022.31</u>       |

**i) Capital Reserve**

Capital reserve represents amount transferred pursuant to the Scheme (refer note 42).

**ii) Retained earnings**

Retained earnings includes reserves created out of profits and remeasurement gains/ losses on defined benefit plans.





# Spencer's Retail Limited (formerly known as RP-SG Retail Limited)

Notes to Interim Standalone Financial Statements as at and for the half year ended 30th September 2018

## 17 Financial liabilities (at amortised cost)

|  | <u>30th September 2018</u><br>₹ Lakhs | <u>31st March 2018</u><br>₹ Lakhs |
|--|---------------------------------------|-----------------------------------|
| <b>Preference share suspense *</b>   |                                       |                                   |
| 0.01% non-cumulative non-convertible redeemable preference shares of ₹100 each: 500,000 shares as at 30th September 2018 (31st March 2018: 500,000 shares) to be issued pursuant to the Scheme (refer note 42) | 81.75                                 | 78.04                             |
|  | <u>81.75</u>                          | <u>78.04</u>                      |

\* subsequently allotted on 14th November 2018

### Rights, preferences and restrictions attached to preference shares to be issued :

The non-convertible non-cumulative redeemable 500,000 preference shares of ₹100 each carrying dividend @ 0.01% per annum redeemable at par after 20 years from date of allotment.

## 18 Provisions

|  | <u>30th September 2018</u><br>₹ Lakhs | <u>31st March 2018</u><br>₹ Lakhs |
|--|---------------------------------------|-----------------------------------|
| <b>Provisions for employee benefits</b>                    |                                       |                                   |
| Gratuity (refer note 35)                                   | 259.45                                | 307.00                            |
| Leave  | 243.76                                | 259.21                            |
|  | <u>503.21</u>                         | <u>566.21</u>                     |
| <b>Other provisions</b>                                    |                                       |                                   |
| Provision for decommissioning liability (refer note below) | 270.28                                | 246.83                            |
|  | <u>773.49</u>                         | <u>813.04</u>                     |

### Note:

A provision is recognised for expected cost of removal of assets situated at various rented premises and is measured at the present value of expected costs to settle the obligation. The table below gives information about the movement in provision for decommissioning liability :

|  | <u>For the period ended<br/>30th September 2018</u><br>₹ Lakhs | <u>For the period 8th<br/>February 2017 to<br/>31st March 2018</u><br>₹ Lakhs |
|--|--|---|
| <b>Movement of provision for decommissioning liability</b> |  |   |
| Opening balance  | 246.83   | -   |
| Add: Acquired pursuant to the Scheme (refer note 42)       |  | 230.74  |
| Add: Provision created during the period                   | 23.45  | 19.23   |
| Less: Provision reversed / utilised during the period      | -  | (3.14)  |
| <b>Closing balance</b>                                     | <u>270.28</u>  | <u>246.83</u>   |

## 19 Trade payables

|  | <u>30th September 2018</u><br>₹ Lakhs | <u>31st March 2018</u><br>₹ Lakhs |
|--|---------------------------------------|-----------------------------------|
| Total outstanding dues of micro and small enterprises                      | -                                     | -                                 |
| Total outstanding dues of creditors other than micro and small enterprises | 31,141.43                             | 27,954.09                         |
|  | <u>31,141.43</u>                      | <u>27,954.09</u>                  |

Trade payable are non interest bearing and are normally settled on 30 to 180 days term.

Refer note 36 for dues to related parties.

## 20 Other financial liabilities (at amortised cost)

|                             | <u>30th September 2018</u><br>₹ Lakhs | <u>31st March 2018</u><br>₹ Lakhs |
|-----------------------------|---------------------------------------|-----------------------------------|
| Book overdraft              | 174.44                                | -                                 |
| Sundry deposits             | 343.04                                | 319.64                            |
| Liability for capital goods | 485.09                                | 215.30                            |
| Others                      |                                       |                                   |
| - Payable to employees      | 760.06                                | 827.78                            |
|                             | <u>1,762.63</u>                       | <u>1,362.72</u>                   |



# Spencer's Retail Limited (formerly known as RP-SG Retail Limited)

Notes to Interim Standalone Financial Statements as at and for the half year ended 30th September 2018

## 21 Other current liabilities

|                         | <u>30th September 2018</u> | <u>31st March 2018</u> |
|-------------------------|----------------------------|------------------------|
|                         | ₹ Lakhs                    | ₹ Lakhs                |
| Advances from customers | 441.47                     | 361.39                 |
| Statutory dues          | 232.99                     | 349.41                 |
|                         | <u>674.46</u>              | <u>710.80</u>          |

## 22 Provisions

|  | <u>30th September 2018</u> | <u>31st March 2018</u> |
|--|----------------------------|------------------------|
|  | ₹ Lakhs                    | ₹ Lakhs                |
| <b>Provisions for employee benefits</b>            |                            |                        |
| Gratuity (refer note 35)                           | 19.97                      | 17.20                  |
| Leave  | 14.16                      | 13.10                  |
|  | <u>34.13</u>               | <u>30.30</u>           |
| <b>Other provisions</b>                            |                            |                        |
| Tax disputes [refer note (a) below]                | 293.53                     | 293.53                 |
| Claims on leased properties [refer note (b) below] | 1,190.34                   | 1,172.42               |
|  | <u>1,518.00</u>            | <u>1,496.25</u>        |

### Note:

- (a) The management has estimated the provisions for pending disputes, claims and demands relating to indirect taxes based on its assessment of probability for these demands crystallising against the company in due course.

### Movement of provision for tax disputes

|   | <u>30th September 2018</u> | <u>31st March 2018</u> |
|---|----------------------------|------------------------|
|   | ₹ Lakhs                    | ₹ Lakhs                |
| Opening balance                                 | 293.53                     | -                      |
| Acquired pursuant to the Scheme (refer note 42) | -                          | 291.33                 |
| Provision created during the period             | -                          | 2.20                   |
| <b>Closing balance *</b>                        | <u>293.53</u>              | <u>293.53</u>          |

\* Net of deposits as at 30th September 2018 ₹ 51.89 Lakhs (31st March 2018: ₹ 51.89 Lakhs) made under appeal

### (b) Claims on leased properties

Retailers Association of India (RAI) of which the Company is a member, has filed Special Leave Petition before the Hon'ble Supreme Court of India, about the applicability of service tax on commercial rent on immovable property. Pending disposal of the case, the Supreme Court has passed an interim ruling in October 2011 directing the members of RAI to pay 50% of total service tax liability up to September 2011 to the department and to furnish a surety for balance 50%. The Supreme Court has also clarified that the successful party in the appeal shall be entitled to interest on the amount stayed by the Court, at such rate as may be directed at the time of the final disposal of appeal. Accordingly the Company has already deposited ₹460 Lakhs and furnished a surety for ₹460 Lakhs towards the balance service tax liability, while interest, whose quantum and applicability is presently not ascertainable, will be provided on the disposal of the petition, if required.

Further, the Company has also been making provision for service tax on rent from October 2011 onwards, the balance whereof as on 30th September 2018 is ₹1,190.34 Lakhs (31st March 2018: ₹ 1,172.42 Lakhs).

### Movement of provision for claims on leased properties

|   | <u>For the period ended</u> | <u>For the period 8th</u> |
|---|-----------------------------|---------------------------|
|   | <u>30th September 2018</u>  | <u>February 2017 to</u>   |
|   | ₹ Lakhs                     | <u>31st March 2018</u>    |
|   | ₹ Lakhs                     | ₹ Lakhs                   |
| Opening balance                                 | 1,172.42                    | -                         |
| Acquired pursuant to the Scheme (refer note 42) | -                           | 1,137.49                  |
| Provision created during the period             | 17.92                       | 79.36                     |
| Provision reversed / paid during the period     | -                           | (44.43)                   |
| <b>Closing balance</b>                          | <u>1,190.34</u>             | <u>1,172.42</u>           |



**Spencer's Retail Limited (formerly known as RP-SG Retail Limited)**  
**Notes to Interim Standalone Financial Statements as at and for the half year ended 30th September 2018**

**23 Revenue from operations**

|  | For the half year<br>ended<br>30th September 2018 | For the period 8th<br>February 2017 to<br>31st March 2018 |
|--|---|---|
|  | ₹ Lakhs   | ₹ Lakhs   |
| Sales of goods                                       | 1,14,071.92                                       | 1,06,965.47   |
| Sale of concessionaire products                      | 1,952.75  | 1,643.48  |
| Total  | 1,16,024.67                                       | 1,08,608.95   |
| Less: Tax  | (10,815.23)                                       | (10,603.19)   |
| Less: Cost of goods sold for concessionaire products | (1,483.26)  | (1,246.08)  |
|  | 1,03,726.18                                       | 96,759.68   |
| Other operating revenue                              | 5,297.73  | 7,526.28  |
|  | <u>1,09,023.91</u>                                | <u>1,04,285.96</u>  |

**24 Other income**

|  | For the half year<br>ended<br>30th September 2018 | For the period 8th<br>February 2017 to<br>31st March 2018 |
|--|---|---|
|  | ₹ Lakhs   | ₹ Lakhs   |
| Interest income                                    |   |   |
| - Bank deposits                                    | 843.87  | 718.58  |
| - Rental deposits                                  | 106.93  | 90.62   |
| - Others   | 7.45  | -   |
| Gain on sale of investments                        | 38.93   | 62.41   |
| Fair value gain on non-current investments         | 56.57   | -   |
| Net gain on sales of property, plant and equipment | 18.81   | -   |
| Miscellaneous income                               | 238.16  | 23.36   |
|  | <u>1,310.72</u>                                   | <u>894.97</u>   |

**25 Changes in inventories of traded and finished goods**

|   | For the half year<br>ended<br>30th September 2018 | For the period 8th<br>February 2017 to<br>31st March 2018 |
|---|---|---|
|   | ₹ Lakhs   | ₹ Lakhs   |
| Inventories at the beginning of the period                  | 24,592.40   | -   |
| Inventories acquired pursuant to the Scheme (refer note 42) | -   | 23,932.75   |
| Inventories at the end of the period                        | 25,607.01   | 24,592.40   |
| Changes in inventories of traded and finished goods         | <u>(1,014.61)</u>                                 | <u>(659.65)</u>   |

**26 Cost of raw materials consumed**

|   | For the half year<br>ended<br>30th September 2018 | For the period 8th<br>February 2017 to<br>31st March 2018 |
|---|---|---|
|   | ₹ Lakhs   | ₹ Lakhs   |
| Inventory at the beginning of the period                    | 79.29   | -   |
| Inventories acquired pursuant to the Scheme (refer note 42) | -   | 87.57   |
| Purchases during the period                                 | 348.62  | 467.65  |
|   | 427.91  | 555.22  |
| Inventories at the end of the period                        | (87.38)   | (79.29)   |
| Cost of raw materials consumed                              | <u>340.53</u>                                     | <u>475.93</u>   |

**27 Employee benefits expense**

|   | For the half year<br>ended<br>30th September 2018 | For the period 8th<br>February 2017 to<br>31st March 2018 |
|---|---|---|
|   | ₹ Lakhs   | ₹ Lakhs   |
| Salaries, wages and bonus                                 | 6,715.43  | 6,470.60  |
| Contribution to provident and other funds (refer note 35) | 413.42  | 443.12  |
| Staff welfare expenses                                    | 313.32  | 295.65  |
|   | <u>7,442.17</u>                                   | <u>7,209.37</u>   |



**Spencer's Retail Limited (formerly known as RP-SG Retail Limited)**

**Notes to Interim Standalone Financial Statements as at and for the half year ended 30th September 2018**

**28 Other expenses**

|  | For the half year<br>ended<br>30th September 2018 | For the period 8th<br>February 2017 to<br>31st March 2018 |
|--|---|---|
|  | ₹ Lakhs   | ₹ Lakhs   |
| Power and fuel   | 2,284.92  | 1,803.58  |
| Freight  | 97.13   | 111.90  |
| Rent [refer note 33 (a)]                                       | 5,269.81  | 4,879.37  |
| Repairs and maintenance  |   |   |
| - Plant and machinery  | 0.01  | 0.24  |
| - Buildings  | 155.08  | 180.50  |
| - Others   | 1,306.87  | 1,348.48  |
| Insurance  | 33.73   | 36.36   |
| Rates and taxes  | 313.86  | 227.64  |
| Advertisement and selling expenses                             | 1,630.30  | 1,118.55  |
| Packing materials consumed                                     | 279.82  | 214.83  |
| Travelling and conveyance                                      | 199.92  | 174.14  |
| Auditor's remuneration   |   |   |
| - Statutory audit fees   | 32.50   | 0.15  |
| - Tax audit fees   | 5.04  | -   |
| - Others   | 4.48  | -   |
| - Tax  | 1.78  | -   |
| - Reimbursement of expenses                                    | 1.42  | -   |
| Communication expenses   | 108.81  | 128.13  |
| Printing and Stationery  | 123.93  | 120.73  |
| Legal and consultancy charges                                  | 209.44  | 133.63  |
| Contract labour charges  |   |   |
| - Housekeeping expenses  | 1,451.96  | 1,436.84  |
| - Security charges   | 780.40  | 744.08  |
| Loss on sale/ write off of property, plant and equipment (net) | -   | 3.48  |
| Bad debts / irrecoverable balances written off                 | -   | 3.14  |
| Provision for doubtful store lease deposits / advances         | 13.31   | -   |
| Provision for bad and doubtful debts                           | 68.20   | 80.97   |
| Miscellaneous expenses   | 544.41  | 541.04  |
|  | <b>14,917.13</b>                                  | <b>13,287.78</b>  |

**29 Depreciation and amortisation**

|  | For the half year<br>ended<br>30th September 2018 | For the period 8th<br>February 2017 to<br>31st March 2018 |
|--|---|---|
|  | ₹ Lakhs   | ₹ Lakhs   |
| Depreciation of property, plant and equipment (refer note 3.1) | 1,076.47  | 1,362.15  |
| Amortisation of intangible assets (refer note 3.2)             | 92.82   | 105.99  |
|  | <b>1,169.29</b>                                   | <b>1,468.14</b>   |

**30 Finance costs**

|                  | For the half year<br>ended<br>30th September 2018 | For the period 8th<br>February 2017 to<br>31st March 2018 |
|------------------|---|---|
|                  | ₹ Lakhs   | ₹ Lakhs   |
| Interest expense | 25.67   | 21.06   |
| Other costs      | 386.79  | 358.86  |
|                  | <b>412.46</b>                                     | <b>379.92</b>   |



# Spencer's Retail Limited (formerly known as RP-SG Retail Limited)

Notes to Interim Standalone Financial Statements as at and for the half year ended 30th September 2018

## 31 Earning per share (EPS)

Basic and diluted EPS have been calculated by dividing the profit / (loss) for the period attributable to equity holders of the company by the weighted average number of Equity shares outstanding during the period.

|  | For the half year<br>ended<br>30th September 2018 | For the period 8th<br>February 2017 to<br>31st March 2018 |
|--|---|---|
| Profit / (loss) for the period (₹ Lakhs)                         | 367.90  | (910.15)  |
| Weighted average number of equity shares for earning per share * | 7,95,34,226                                       | 3,47,40,957   |
| Earnings per share – basic and diluted (face value of ₹ 5 each)  | 0.46  | (2.62)  |

\* For the purpose of calculating earnings per share for the half year ended 30th September 2018 and for the period 8th February to 31st March 2018, the equity shares issued pursuant to the Scheme (refer note 42) have been considered effective as on 1st October 2017, being the appointed date under the Scheme and the equity shares of Spencer's Retail Limited (formerly known as RP-SG Retail Limited) outstanding stands cancelled from the aforesaid date.

## 32 Significant accounting judgement estimates and assumptions

The preparation of the financial statements requires management to make judgments, estimates and assumptions, as described below, that affect the reported amounts and the disclosures. The Company based its assumptions and estimates on parameters available when the financial statements were prepared and are reviewed at each Balance Sheet date. Uncertainty about these assumptions and estimates could result in outcomes that may require a material adjustment to the reported amounts and disclosures.

### (a) Employee benefit plans (Gratuity and Leave encashment benefits)

The cost of the employment benefit plans and their present value are determined using actuarial valuations which involves making various assumptions that may differ from actual developments in the future. For further details, refer note 35.

### (b) Non recognition of deferred tax asset

Deferred tax asset of ₹ 41,602.05 Lakhs (31st March 2018: ₹ 49,737.92 Lakhs) relating to deductible temporary differences, and unused tax losses has not been recognized in the balance sheet.

### (c) Fair value measurement of investment in subsidiaries

Investment in Subsidiaries are fair valued through Other Comprehensive Income. As the subsidiaries are not listed, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Change in assumptions about these factors could affect the reported fair value of these subsidiaries. Refer note 37 for further disclosures.

## 33 Commitments and contingencies

### a) Leases

#### Operating lease commitments (Company as Lessee)

Retail stores are taken by the Company on operating lease and the lease rent is payable as per the agreements entered into with the lessors. Agreements are both in the nature of cancellable and non-cancellable leases. The lease term is for varied years and renewable for further years as per the agreements at the option of the Company. There are no restrictions imposed by these lease arrangements. The details of lease rentals payable are given below:

|   | 30th September 2018<br>₹ Lakhs | 31st March 2018<br>₹ Lakhs |
|---|--------------------------------|----------------------------|
| Lease expenses for the period                       | 5,269.81                       | 4,879.37                   |
| Future minimum lease payments:                      |                                |                            |
| - Not later than one year                           | 7,432.39                       | 7,136.24                   |
| - Later than one year but not later than five years | 30,178.50                      | 28,040.31                  |
| - Later than five years                             | 49,212.65                      | 46,134.26                  |

### b) Contingencies

Contingent liabilities not provided for in respect of:

|   |          |          |
|---|----------|----------|
| - Sales Tax/VAT demands under appeal                  | 1,046.27 | 951.20   |
| - Service Tax demands under appeal                    | 553.89   | 553.89   |
| - Claims against the Company not acknowledged as debt | 4,601.95 | 4,397.26 |

### c) Commitments

|  |        |        |
|--|--------|--------|
| - Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances) | 874.09 | 277.53 |
| - for Investments  | 750.00 | 750.00 |

## 34 Segment information

The Company has identified a single operating segment i.e. organised retailing. The Company at present operates only in India and therefore the analysis of geographical segment is not applicable to the Company.



35 **Gratuity and other post employment benefit plans**

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is entitled to Gratuity on terms not less favorable than the provisions of the Payment of Gratuity Act, 1972. The scheme is funded with an insurance company.

a) The following tables summarises the components of net benefit expense recognised in the Statement of Profit and Loss and Other Comprehensive Income for the period:

|  | For the half year<br>ended<br>30th September 2018 | For the period 8th<br>February 2017 to<br>31st March 2018 |
|--|---|---|
|  | ₹ Lakhs   | ₹ Lakhs   |
| <b>Expenses recognised in the interim standalone statement of profit and loss:</b> |   |   |
| Current service cost   | 29.42   | 30.91   |
| Interest cost  | 13.68   | 14.33   |
| Interest income  | (2.98)  | (2.14)  |
|  | 40.12   | 43.10   |
| <b>Expenses recognised in other comprehensive income</b>                           |   |   |
| Net actuarial (gain) / loss recognised in the period                               | 76.62   | 32.77   |
| <b>Total expense</b>   | <b>116.74</b>                                     | <b>75.87</b>  |

b) The following tables summaries the components of funded status and amounts recognised in the interim standalone balance sheet for the plan.

(i) Net asset / (liability) recognised as on the Balance Sheet date:

|  | 30th September 2018 | 31st March 2018 |
|--|---------------------|-----------------|
|  | ₹ Lakhs             | ₹ Lakhs         |
| Present value of defined benefit obligations | 386.68              | 396.32          |
| Fair value of plan assets                    | 107.26              | 72.12           |
| <b>Net asset / (liability)</b>               | <b>(279.42)</b>     | <b>(324.20)</b> |

(ii) Changes in the present value of the defined benefit obligation are as follows:

|   | 30th September 2018 | 31st March 2018 |
|---|---------------------|-----------------|
|   | ₹ Lakhs             | ₹ Lakhs         |
| Present value of defined benefit obligation at the beginning of the period  | 396.32              | -               |
| Current service cost  | 29.42               | 30.91           |
| Interest cost   | 13.68               | 14.33           |
| Benefits paid   | (129.58)            | (103.64)        |
| Transferred pursuant to the Scheme (refer note 42)                          | -                   | 424.01          |
| <b>Actuarial losses on obligation</b>                                       | 76.84               | 30.71           |
| Arising from changes in experience  | 100.17              | 30.71           |
| Arising from changes in demographic   | -                   | -               |
| Arising from changes in financial assumptions                               | (23.33)             | -               |
| <b>Present value of defined benefit obligation at the end of the period</b> | <b>386.68</b>       | <b>396.32</b>   |

(iii) Changes in the fair value of plan assets:

|   | 30th September 2018 | 31st March 2018 |
|---|---------------------|-----------------|
|   | ₹ Lakhs             | ₹ Lakhs         |
| Fair value of plan assets at the beginning of the period  | 72.12               | -               |
| Interest income   | 2.98                | 2.14            |
| Contributions by employer                                 | 161.52              | 120.00          |
| Transferred pursuant to the Scheme (refer note 42)        | -                   | 55.68           |
| Actual benefits paid                                      | (129.58)            | (103.64)        |
| Actuarial gains / (losses)                                | 0.22                | (2.06)          |
| <b>Fair value of plan assets at the end of the period</b> | <b>107.26</b>       | <b>72.12</b>    |

(iv) The Company expects to contribute ₹ 20.78 Lakhs (31st March 2018: ₹17.85 Lakhs) to gratuity fund in the next year.

(v) The major categories of plan assets as a percentage of the fair value of total plan assets are as follows

|                          | 30th September 2018 | 31st March 2018 |
|--------------------------|---------------------|-----------------|
| Investments with insurer | 100%                | 100%            |

(vi) Actuarial Assumptions:

|  | 30th September 2018 | 31st March 2018                              |
|--|---------------------|--|
| Discount rate                                | 8.25%               | 7.70%  |
| Expected rate of return on assets            | 8.25%               | 7.70%  |
| Employee turnover                            | 67%                 | 67%  |
| Grade wise attrition ranging from 12% to 67% | 67%                 | Grade wise attrition ranging from 12% to 67% |



(vii) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market

(viii) Contribution to Provident and Other Funds includes ₹ 231.95 Lakhs (31st March 2018: ₹266.83 Lakhs) paid towards defined contribution plans.

(ix) The basis of various assumptions used in actuarial valuations and their quantitative sensitivity analysis is as shown below:

| Assumptions       | 30th September 2018 |               | 31st March 2018    |               |
|-------------------|---------------------|---------------|--------------------|---------------|
|                   | Discount rate (a)   |               | Discount rate (a)  |               |
| Sensitivity level | 0.5% increase       | 0.5% decrease | 0.5% increase      | 0.5% decrease |
|                   | ₹ Lakhs             | ₹ Lakhs       | ₹ Lakhs            | ₹ Lakhs       |
| Impact            | 19.47               | (21.14)       | 21.02              | (22.86)       |
| Assumptions       | Future salary (b)   |               | Future salary (b)  |               |
| Sensitivity level | 0.5% increase       | 0.5% decrease | 0.5% increase      | 0.5% decrease |
|                   | ₹ Lakhs             | ₹ Lakhs       | ₹ Lakhs            | ₹ Lakhs       |
| Impact            | (21.43)             | 19.87         | (23.08)            | 21.36         |
| Assumptions       | Mortality (c)       |               | Mortality (c)      |               |
| Sensitivity level | 10% increase        | 10% decrease  | 10% increase       | 10% decrease  |
|                   | ₹ Lakhs             | ₹ Lakhs       | ₹ Lakhs            | ₹ Lakhs       |
| Impact            | (0.73)              | 0.69          | (0.68)             | 0.67          |
| Assumptions       | Attrition rate (d)  |               | Attrition rate (d) |               |
| Sensitivity level | 0.5% increase       | 0.5% decrease | 0.5% increase      | 0.5% decrease |
|                   | ₹ Lakhs             | ₹ Lakhs       | ₹ Lakhs            | ₹ Lakhs       |
| Impact            | (2.52)              | 2.51          | (2.05)             | 2.04          |

(a) Based on interest rates of government bonds

(b) Based on management estimate

(c) Based on IALM 2006-2008 ultimate mortality table



# Spencer's Retail Limited (formerly known as RP-SG Retail Limited)

Notes to Interim Standalone Financial Statements as at and for the half year ended 30th September 2018

## 36 Related parties and their relationship

| (A) Name                                      | Relationship                                   | Place of Incorporation | Ownership Interest(%)                 | Ownership Interest(%)                 |
|---|--|------------------------|---------------------------------------|---------------------------------------|
|   |  |                        | 30-Sep-18                             | 31-Mar-18                             |
| Rainbow Investments Limited                   | Parent (having Control in terms of Ind As 110) | India                  | Having Control in terms of Ind As 110 | Having Control in terms of Ind As 110 |
| Omnipresent Retail India Private Limited      | Subsidiary Company                             | India                  | 100%                                  | 100%                                  |
| Sunil Bhandari (upto 14th November 2018)      | Director                                       | -                      | -                                     | -                                     |
| Gautam Ray (upto 14th November 2018)          | Director                                       | -                      | -                                     | -                                     |
| Rajarshi Banerjee (upto 27th November 2018)   | Director                                       | -                      | -                                     | -                                     |
| Sanjiv Goenka (w.e.f 14th November 2018)      | Non-Executive Director                         | -                      | -                                     | -                                     |
| Shashwat Goenka (w.e.f. 14th November 2018)   | Non-Executive Director                         | -                      | -                                     | -                                     |
| Utsav Parekh (w.e.f. 14th November 2018)      | Independent Director                           | -                      | -                                     | -                                     |
| Pratip Chadhuri (w.e.f. 14th November 2018)   | Independent Director                           | -                      | -                                     | -                                     |
| Rekha Sethi (w.e.f. 14th November 2018)       | Independent Director                           | -                      | -                                     | -                                     |
| Rahul Nayak (w.e.f. 14th November 2018)       | Whole-time Director                            | -                      | -                                     | -                                     |
| Arvind Kumar Vats (w.e.f. 14th November 2018) | Chief Financial Officer                        | -                      | -                                     | -                                     |
| Navin Kumar Rathi (w.e.f. 14th November 2018) | Company Secretary                              | -                      | -                                     | -                                     |

### Other Related Parties having transactions during the period

#### (B) Companies Under Common Control

| Name                                 |
|--------------------------------------|
| Au Bon Pain Café India Limited       |
| Bowlopedia Restaurants India Limited |
| CESC Limited                         |
| First Source Solutions Limited       |
| Guilfree Industries Limited          |
| Kolkata Games and Sports Pvt Ltd     |
| Open Media Network Pvt Ltd           |
| Phillips Carbon Black Limited        |
| Quest Properties India Limited       |
| RPG Power Trading Co Ltd             |
| Saregama India Ltd                   |

#### (C) Details of transactions entered into with the related parties:

₹ Lakhs

| Particulars                                  | Subsidiaries      |                     | Companies Under Common Control |                     | Total             |                     |
|--|-------------------|---------------------|--------------------------------|---------------------|-------------------|---------------------|
|  | Transaction Value | Balance Outstanding | Transaction Value              | Balance Outstanding | Transaction Value | Balance Outstanding |
|  |                   | as on 30/9/2018     |                                | as on 30/9/2018     |                   | as on 30/9/2018     |
| <b>Share application money to subsidiary</b> |                   |                     |                                |                     |                   |                     |
| Omnipresent Retail India Private Limited     | 355.00            | 355.00              | -                              | -                   | 355.00            | 355.00              |
|  | (416.02)          | -                   | -                              | -                   | (416.02)          | -                   |
| <b>Sales of Goods/Gift Cards</b>             |                   |                     |                                |                     |                   |                     |
| CESC Limited                                 | -                 | -                   | 16.68                          | -                   | 16.68             | -                   |
|  | -                 | -                   | (31.41)                        | (0.31)              | (31.41)           | (0.31)              |
| Phillips Carbon Black Limited                | -                 | -                   | 7.71                           | -                   | 7.71              | -                   |
|  | -                 | -                   | (9.50)                         | -                   | (9.50)            | -                   |
| Others                                       | 0.07              | -                   | 5.51                           | -                   | 5.58              | -                   |
|  | (0.54)            | -                   | (10.77)                        | (0.31)              | (11.31)           | (0.31)              |

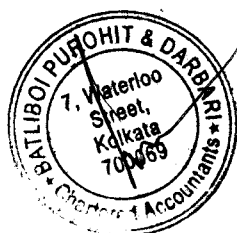




# Spencer's Retail Limited (formerly known as RP-SG Retail Limited)

Notes to Interim Standalone Financial Statements as at and for the half year ended 30th September 2018

| Particulars   | ₹ Lakhs           |                                     |                                |                                     |                   |                                     |
|---|-------------------|-------------------------------------|--------------------------------|-------------------------------------|-------------------|-------------------------------------|
|   | Subsidiaries      |                                     | Companies Under Common Control |                                     | Total             |                                     |
|   | Transaction Value | Balance Outstanding as on 30/9/2018 | Transaction Value              | Balance Outstanding as on 30/9/2018 | Transaction Value | Balance Outstanding as on 30/9/2018 |
| <b><u>Purchase of Goods</u></b>                     |                   |                                     |                                |                                     |                   |                                     |
| Guiltfree Industries Limited                        | -                 | -                                   | 100.98                         | 12.26                               | 100.98            | 12.26                               |
|   | -                 | -                                   | (48.34)                        | -                                   | (48.34)           | -                                   |
| Saregama India Ltd                                  | -                 | -                                   | 65.99                          | 35.36                               | 65.99             | 35.36                               |
|   | -                 | -                                   | (57.32)                        | (43.94)                             | (57.32)           | (43.94)                             |
| Others  | -                 | -                                   | 0.89                           | 0.00                                | 0.89              | 0.00                                |
|   | -                 | -                                   | (0.55)                         | (0.91)                              | (0.55)            | (0.91)                              |
| <b><u>Rendering of Services</u></b>                 |                   |                                     |                                |                                     |                   |                                     |
| Guiltfree Industries Limited                        | -                 | -                                   | 56.35                          | 15.45                               | 56.35             | 15.45                               |
|   | -                 | -                                   | (62.49)                        | (27.34)                             | (62.49)           | (27.34)                             |
| CESC Limited  | -                 | -                                   | 372.27                         | 207.67                              | 372.27            | 207.67                              |
|   | -                 | -                                   | (3.99)                         | (3.99)                              | (3.99)            | (3.99)                              |
| Others  | -                 | -                                   | 2.37                           | -                                   | 2.37              | -                                   |
|   | -                 | -                                   | (0.78)                         | -                                   | (0.78)            | -                                   |
| <b><u>Receiving of Services</u></b>                 |                   |                                     |                                |                                     |                   |                                     |
| Omnipresent Retail India Private Limited            | 179.77            | 27.09                               | -                              | -                                   | 179.77            | 27.09                               |
|   | (133.81)          | (29.43)                             | -                              | -                                   | (133.81)          | (29.43)                             |
| <b><u>Purchase of Property and other Assets</u></b> |                   |                                     |                                |                                     |                   |                                     |
| Au Bon Pain Café India Limited                      | -                 | -                                   | -                              | -                                   | -                 | -                                   |
|   | -                 | -                                   | (4.68)                         | (4.68)                              | (4.68)            | (4.68)                              |
| <b><u>Recovery of Expenses</u></b>                  |                   |                                     |                                |                                     |                   |                                     |
| CESC Limited  | -                 | -                                   | 1,603.37                       | 2,550.80                            | 1,603.37          | 2,550.80                            |
|   | -                 | -                                   | (1,598.76)                     | (1,598.76)                          | (1,598.76)        | (1,598.76)                          |
| Others  | 0.12              | 0.02                                | 15.32                          | 16.83                               | 15.44             | 16.85                               |
|   | (11.45)           | (0.18)                              | (16.83)                        | (16.83)                             | (28.28)           | (17.01)                             |
| <b><u>Expense Incurred</u></b>                      |                   |                                     |                                |                                     |                   |                                     |
| CESC Limited  | -                 | -                                   | 90.53                          | 16.35                               | 90.53             | 16.35                               |
|   | -                 | -                                   | (60.06)                        | (4.84)                              | (60.06)           | (4.84)                              |
| Quest Properties India Limited                      | -                 | -                                   | 285.65                         | 176.19                              | 285.65            | 176.19                              |
|   | -                 | -                                   | (329.51)                       | (83.21)                             | (329.51)          | (83.21)                             |
| Others  | -                 | -                                   | 0.19                           | -                                   | 0.19              | -                                   |
|   | -                 | -                                   | (0.46)                         | (5.17)                              | (0.46)            | (5.17)                              |
| <b><u>Security Deposit Receivable</u></b>           |                   |                                     |                                |                                     |                   |                                     |
| CESC Limited  | -                 | -                                   | 3.45                           | 27.74                               | 3.45              | 27.74                               |
|   | -                 | -                                   | -                              | (24.29)                             | -                 | (24.29)                             |
| Others  | -                 | -                                   | -                              | 107.95                              | -                 | 107.95                              |
|   | -                 | -                                   | -                              | (107.94)                            | -                 | (107.94)                            |
| <b><u>Security Deposit Payable</u></b>              |                   |                                     |                                |                                     |                   |                                     |
| Bowlopedia Restaurants India Limited                | -                 | -                                   | 1.93                           | -                                   | 1.93              | -                                   |
|   | -                 | -                                   | (1.93)                         | (1.93)                              | (1.93)            | (1.93)                              |
| Others  | -                 | -                                   | -                              | 62.91                               | -                 | 62.91                               |
|   | -                 | -                                   | (61.67)                        | (62.91)                             | (61.67)           | (62.91)                             |
| <b><u>Sales Collection Received</u></b>             |                   |                                     |                                |                                     |                   |                                     |
| CESC Limited  | -                 | -                                   | 1,219.59                       | 2,519.38                            | 1,219.59          | 2,519.38                            |
|   | -                 | -                                   | (1,290.60)                     | (1,290.60)                          | (1,290.60)        | (1,290.60)                          |



# Spencer's Retail Limited (formerly known as RP-SG Retail Limited)

Notes to Interim Standalone Financial Statements as at and for the half year ended 30th September 2018

|   |                   |                     |                                |                     |                   |                     | ₹ Lakhs         |
|---|-------------------|---------------------|--------------------------------|---------------------|-------------------|---------------------|-----------------|
| Particulars                                   | Subsidiaries      |                     | Companies Under Common Control |                     | Total             |                     |                 |
|   | Transaction Value | Balance Outstanding | Transaction Value              | Balance Outstanding | Transaction Value | Balance Outstanding |                 |
|   |                   | as on 30/9/2018     |                                | as on 30/9/2018     |                   | as on 30/9/2018     | as on 30/9/2018 |
| <b>Outstanding balance for the Period end</b> |                   |                     |                                |                     |                   |                     |                 |
| Bowlopedia Restaurants India Limited          |                   |                     |                                |                     |                   |                     |                 |
| Receivable                                    | -                 | -                   | -                              | -                   | -                 | 19.12               |                 |
| Payable                                       | -                 | -                   | -                              | -                   | -                 | -                   |                 |
| CESC Limited                                  |                   |                     |                                |                     |                   |                     |                 |
| Receivable                                    | -                 | -                   | -                              | -                   | -                 | 2,802.56            |                 |
| Payable                                       | -                 | -                   | -                              | -                   | -                 | 2,510.19            |                 |
| Saregama India Ltd                            |                   |                     |                                |                     |                   |                     |                 |
| Receivable                                    | -                 | -                   | -                              | -                   | -                 | 2.25                |                 |
| Payable                                       | -                 | -                   | -                              | -                   | -                 | 35.36               |                 |
| Quest Properties India Limited                |                   |                     |                                |                     |                   |                     |                 |
| Receivable                                    | -                 | -                   | -                              | -                   | -                 | 107.95              |                 |
| Payable                                       | -                 | -                   | -                              | -                   | -                 | 176.19              |                 |
| Guiltfree Industries Limited                  |                   |                     |                                |                     |                   |                     |                 |
| Receivable                                    | -                 | -                   | -                              | -                   | -                 | 15.45               |                 |
| Payable                                       | -                 | -                   | -                              | -                   | -                 | 12.26               |                 |
| Omnipresent Retail India Private Limited      |                   |                     |                                |                     |                   |                     |                 |
| Receivable                                    | -                 | -                   | -                              | -                   | -                 | 355.18              |                 |
| Payable                                       | -                 | -                   | -                              | -                   | -                 | 27.09               |                 |
| Others  |                   |                     |                                |                     |                   |                     |                 |
| Receivable                                    |                   |                     |                                |                     |                   | 13.92               |                 |
| Payable                                       |                   |                     |                                |                     |                   | 63.67               |                 |



# Spencer's Retail Limited (formerly known as RP-SG Retail Limited)

Notes to Interim Standalone Financial Statements as at and for the half year ended 30th September 2018

## 37 Fair Values

### (i) Class wise fair value of the Company's financial assets:

|   | <u>30th September 2018</u> | <u>31st March 2018</u> |
|---|----------------------------|------------------------|
|   | ₹ Lakhs                    | ₹ Lakhs                |
| Investments (unquoted) in equity shares   | 4,819.58                   | 4,819.58               |
| Investment in Alternative Investment Fund | 711.67                     | 684.16                 |
| Investment in Mutual Funds                | 423.17                     | -                      |
|   | <u>5,954.42</u>            | <u>5,503.74</u>        |

### (ii) Fair Value Hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below:

**Quoted prices in an active market (Level 1):** This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of investment in quoted equity shares, and mutual fund investments.

**Valuation techniques with observable inputs (Level 2):** This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This level of hierarchy includes Company's over-the-counter (OTC) derivative contracts.

**Valuation techniques with significant unobservable inputs (Level 3):** This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

|   | Fair Value Measurement Using |         |            | ₹ Lakhs    |
|---|------------------------------|---------|------------|------------|
|   | Level-1                      | Level-2 | Level-3    | Total      |
| Investments (unquoted) in equity shares   | -                            | -       | 4,819.58   | 4,819.58   |
|   | (-)                          | (-)     | (4,819.58) | (4,819.58) |
| Investment in Alternative Investment Fund | -                            | -       | 711.67     | 711.67     |
|   | (-)                          | (-)     | (684.16)   | (684.16)   |
| Investment in Mutual Funds                | 423.17                       | -       | -          | 423.17     |
|   | (-)                          | (-)     | (-)        | (-)        |

### (iii) Reconciliation of fair value measurement of unquoted equity shares classified as FVTOCI assets:

|                                   | ₹ Lakhs  |
|-----------------------------------|----------|
| Balance as on 31st March 2018     | 4,819.58 |
| Balance as on 30th September 2018 | 4,819.58 |



**38 Financial risk management objectives and policies**

The Company's financial liabilities mainly comprise other financial liabilities and trade and other payables. The main purpose of these financial liabilities is to finance the company's operations. The Company's financial assets include trade and other receivables, cash and cash equivalents, investment in subsidiaries and deposits.

The company is exposed to market risk, credit risk and liquidity risk. The company's senior management oversees the management of these risks. The senior management reviews and agrees policies for managing each of these risks, which are summarised below.

**Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk primarily comprises interest rate risk. Financial instruments affected by market risk include loans and borrowings, deposits.

**Credit risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer's contract leading to a financial loss. The company is exposed to credit risk from its financing activities, including deposits with banks and other financial instruments.

**Financial instruments and cash deposits**

Credit risk from balances with banks is managed by the company's treasury department in accordance with the company's policy.

Investments of surplus funds are made only after review and approval of senior management.

The company's maximum exposure to credit risk for the components of the balance sheet at 30th September 2018 and 31st March 2018 is the carrying amounts as illustrated in Note 5, 9 & 11.

**Liquidity risk**

The company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts.

**39 Capital management**

The Company's objective when managing capital (defined as net debt and equity) is to safeguard the Company's ability to continue as a going concern in order to provide returns to shareholders and benefit for other stakeholders, while protecting and strengthening the balance sheet through the appropriate balance of debt and equity funding. The Company manages its capital structure and makes adjustments to it, in light of changes to economic conditions and strategic objectives of the Company.

40 Ind AS 115 - "Revenue from contracts with customers", mandatory for reporting periods beginning on or after 1st April, 2018, replaces existing revenue recognition requirements. Accordingly, the Company has applied the modified retrospective approach and therefore the revenue for the year ended 31st March, 2018 are not comparable with the revenue for the half-yearly ended 30th September, 2018. There are no adjustments required to the retained earnings as at 1st April, 2018. Further, due to the application of Ind AS 115, revenue from operations and cost of goods sold is lower by ₹ 3,419.45 Lakhs for half-year ended 30th September, 2018, on account of no specific performance obligation to provide a distinct good or service. However, this does not have any impact on the profit for the half-year ended 30th September, 2018.

**41 Contract balances**

|                      | <u>30th September 2018</u> | <u>31st March 2018</u> |
|----------------------|----------------------------|------------------------|
|                      | ₹ Lakhs                    | ₹ Lakhs                |
| Trade receivables    | 5,752.20                   | 3,720.68               |
| Contract liabilities | 441.47                     | 361.39                 |

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

Contract liabilities include short term advances from parties for rendering various services.



# Spencer's Retail Limited (formerly known as RP-SG Retail Limited)

Notes to Interim Standalone Financial Statements as at and for the half year ended 30th September 2018

- 42 The Board of Directors at its meeting held on 22nd May, 2017 approved, subject to necessary approvals, a composite scheme of arrangement (the Scheme) under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 involving the Company, CESC Limited (CESC), Spencer's Retail Limited and seven other subsidiary companies of CESC as on that date. The Scheme, inter alia, provided for, inter alia, demerger of identified Retail Undertaking(s) of the Spencer's Retail Limited and CESC Limited as a going concern into Spencer's Retail Limited (formerly known as RP-SG Retail Limited).

The Company received on 5th October, 2018 the certified copy of the order of National Company Law Tribunal (NCLT), being the appropriate authority which included the approval for the above referred activities. Accordingly, the Board of Directors in its meeting held on 12th October, 2018 had decided to give effect of the Scheme in terms of the NCLT Order as applicable to the Company with from the Appointed Date of 1st October, 2017 in its accounts for the year ended 31st March, 2018. The Net Assets acquired as at the Appointed Date at book value are as below:

|                          |                   |
|--------------------------|-------------------|
| CESC Limited             | ₹ 20,970.51 Lakhs |
| Spencer's Retail Limited | ₹ 39,045.74 Lakhs |

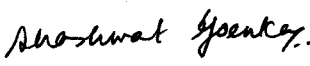
Pursuant to the Scheme, each existing shareholder of CESC Limited registered on the record date of 31st October, 2018 in respect of every 10 shares is entitled to 6 fully paid up equity shares of ₹ 5 each in Spencer's Retail Limited (formerly known as RP-SG Retail Limited) and CESC Limited is entitled to 500,000 fully paid up 0.01% non-cumulative compulsorily redeemable preference shares of ₹ 100 each being issued by the Company.


- 43 Previous period figures have been regrouped / reclassified wherever necessary to correspond with current period classification / disclosure. The figures appearing in the Statement of Profit and Loss for the period ended 31st March 2018 of Spencer's Retail Limited (formerly known as RP-SG Retail Limited) represents the figures from 8 February 2017 to 31 March 2018. Hence current period figures are not comparable with previous period figures.

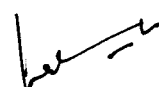
For Batliboi, Purohit & Darbari  
Firm Registration Number - 303086E  
Chartered Accountants

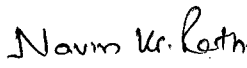
  
CA Hemal Mehta  
Partner  
Membership No. 063404

For and on behalf of Board of Directors

  
Shashwat Goenka  
Director  
DIN: 03486121

  
Sanjiv Goenka  
Chairman  
DIN: 00074796

  
Rahul Nayak  
Whole-time Director  
DIN: 06491536

  
Navin Kumar Rathi  
Company Secretary

  
Arvind Kumar Vats  
Chief Financial Officer

Place : Kolkata  
Date : 11th January 2019

